

INMATE TELECOMMUNICATIONS AGREEMENT
Regulatory Compliance Amendment

This Amendment, entered into the 31 of January 2014, between **Carteret County** of the one part, hereinafter "**County**," and **Pay Tel Communications, Inc.** of the other part, hereinafter "**Pay Tel**," modifies the Inmate Telecommunications Agreement dated October 16, 2006 and Addendum dated December 2, 2009 (hereafter referred to as the "**Agreement**"). In anticipation of mandated changes to regulations governing Inmate Telephone Service and in consideration of the mutual promises and covenants contained herein, Pay Tel and County hereby agree to modify the Agreement as follows:

1. Term: The current term ending October 5, 2014, will be extended four (4) years, to and including October 5, 2018. After the renewed term this Agreement shall be automatically renewed for successive one (1) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term. Section 3.1 of the Agreement is deemed amended consistent with the foregoing.

2. Section 5.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

5.3 The parties acknowledge that the Agreement is subject to the provisions of governing state and federal law and regulations, and Pay Tel agrees to provide Services in full compliance with all applicable rules and regulations of the Federal Communications Commission and any applicable State regulatory agency. In the event that such laws or regulations conflict with or are inconsistent with the terms of this Agreement, the provisions of applicable law shall control and supersede the contrary provisions of this Agreement. Pay Tel will provide twenty (20) days prior written notice of any such required changes which shall be deemed incorporated into this Agreement by reference unless objected to in writing by County within twenty (20) days after receipt of notice, in which case County's objection will be resolved by application of the dispute resolution provision of Section 6.2.

3. Section 6.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

6.2 In addition to disputes arising under Section 5.3, in the event that any state or federal legislative, regulatory, judicial or other legal action (a) materially affects any terms of this Agreement or the ability of Pay Tel to perform any terms of this Agreement, or (b) would make Pay Tel's compliance with its obligations under this Agreement, in Pay Tel's reasonable judgment, no longer economical or feasible, Pay Tel may provide written notice of such facts to County and the parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event negotiations are not resolved within forty-five (45) days of notice, either party may submit the dispute for resolution pursuant to the dispute resolution provisions of this Agreement or alternatively, Pay Tel may terminate this agreement on thirty (30) days' notice to County.

4. Except as expressly modified by this Regulatory Compliance Amendment, the provisions and conditions of the Agreement, including all Exhibits shall remain in full force and effect.

CARTERET COUNTY, NORTH CAROLINA

By: W. Russell Overman, County Manager (Seal)

By: W. Russell Overman (Printed)
Authorized Agent for County

Date: 1/31/2014

Attest: Janet Deuse

*preaudit
on back
DM*

PAY TEL COMMUNICATIONS, INC.:

By: Vincent Townsend (Seal)

By: Vincent Townsend (Printed)

Date: 3/6/14

Attest: Wanda Thaden

Account Representative: Phil Ellis

INMATE TELECOMMUNICATIONS AGREEMENT ADDENDUM #1

This Addendum, entered into the 2nd of December 2009, between Carteret County of the one part, hereinafter "County," and Pay Tel Communications, Inc. of the other part, hereinafter "Pay Tel," modifies the Inmate Telecommunications Agreement (hereafter referred to as the "Agreement") dated October 16, 2006.

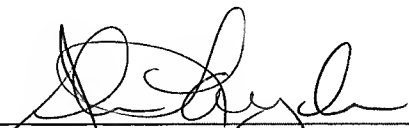
For and in consideration of the mutual promises and covenants contained herein, Pay Tel and County, parties to an existing Agreement, hereby agree to modify the Agreement as follows:

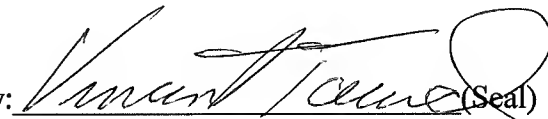
1. **3.1 TERM.** The initial term ending October 5, 2010 will be extended four (4) years, to and including October 5 2014. This Agreement shall be automatically renewed for successive one (1) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term. Such notice shall be given in strict conformance with Paragraph 8.1 of the Agreement.
2. **4.0 COMMISSIONS.** The commission payment shall be thirty-seven percent (37%) of gross billable revenue.
3. **5.0 EQUIPMENT AND SERVICES PROVIDED BY PAY TEL.** Pay Tel will upgrade the system to allow web access to the inmate telephone system and the ability for the inmates to use pre-paid calling cards purchased from Pay Tel.

This Agreement entered into as of the day and year first written above.

CARTERET COUNTY

PAY TEL COMMUNICATIONS, INC.:

By:  (Seal)

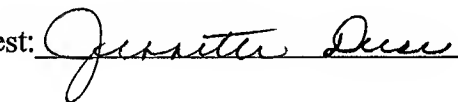
By:  (Seal)

By: JOHN LANGDON (Printed)
Authorized Agent for County

By: Vincent Townsend (Printed)

Date: 12/2/2009

Date: 12/15/09

Attest: 

Attest: 


Account Representative: Phil Ellis

Address: 302 Courthouse Square
Beaufort, North Carolina 28516

Address: Post Office Box 8179
Greensboro, North Carolina 27419

Phone: 252-728-8580
Fax: 252-728-2092
This instrument has been recorded in the manner
required by the North Carolina Government Budget and Fiscal Control Act.

Phone: 866-729-8352
Fax: 336-346-1127


Carteret County Finance Director

INMATE TELECOMMUNICATIONS AGREEMENT

This Inmate Telecommunications Agreement (hereinafter "Agreement"), made and entered into this ~~21st~~ ^{16th} day of ~~September~~ ^{October} 2006 by and between Carteret County of the one part, hereinafter collectively "County," and Pay Tel Communications, Inc. of the other part, hereinafter "Pay Tel."

WHEREAS, County and Pay Tel desire to enter into a long term relationship pursuant to which Pay Tel will act as the exclusive agent and provider of inmate telecommunications equipment and services (hereinafter sometimes "Services"); and

WHEREAS, County understands the financial commitment on the part of Pay Tel in providing equipment associated with such services and agrees to cooperate and assist Pay Tel as set forth below.

NOW THEREFORE, in consideration of the mutual promises and obligations hereunder, the parties to this Agreement do hereby agree as follows:

1.0 AUTHORITY TO CONTRACT

1.1 County warrants that they have the exclusive authority over the premises in order to enter into this Agreement. County further warrants that they have the authority to execute this Agreement and has been delegated the right to license the use of the Premises in accordance with the provision of this Agreement.

2.0 Location

2.1 This Agreement is for Services at or connected to the premises at the location or locations described in Exhibit A attached hereto (the "Premises").

3.0 Term

3.1 The term of the Agreement shall commence upon the installation of the inmate telephone system and shall continue for a period of four (4) years from that date. This Agreement shall be automatically renewed for successive one (1) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term. Such notice shall be given in strict conformance with Paragraph 8.1 below.

3.2 During the original or any renewed term of this Agreement, County shall not grant the right of installing Services upon the Premises to any other company or person. If during the original or any renewed term of this Agreement County commences operations at any location other than Premises described herein, Pay Tel shall have the exclusive right to provide Services at such new location(s) in accordance with the terms and conditions of this Agreement.

3.3 In addition to Services, Pay Tel shall have the exclusive right during the original or renewed term of this Agreement, to act as inmate telecommunications agent for the County as to all inmate telecommunication Services upon the Premises. In this regard, County agrees that it will not authorize any party other than Pay Tel to act as its agent for the purposes of negotiating, obtaining, renewing, or terminating contracts or agreements relating to the installation, operation and provision of inmate telecommunications equipment and services at the Premises.

4.0 COMMISSIONS

4.1 The commission payment shall be the following percentages of gross billable revenues: thirty percent (30%) of the local collect calls, thirty percent (30%) of intra-lata collect calls, thirty percent (30%) of the inter-lata intra-state calls, and thirty percent (30%) of the inter-lata inter-state calls. Pay Tel shall provide County monthly accounting of revenues received from the inmate telephone system.

4.2 County shall not be responsible for any losses due to fraudulent calls. County agrees to assist Pay Tel in any efforts to prevent such fraud and further agrees to aid in the prosecution of any perpetrators of fraudulent calls.

4.3 County acknowledges and agrees that the aforesaid commission rates are based on revenue projections calculated by reference to usage during normal inmate awake hours and County agrees that no action will be taken unreasonably to impede such usage.

5.0 EQUIPMENT AND SERVICES PROVIDED BY PAY TEL

5.1 Pay Tel will provide, install and operate equipment, including but not limited to coinless inmate telephones, which Pay Tel may operate now or in the future at the Premises. Pay Tel will provide to the Sheriff the ability to monitor and record inmate calls using two (2) administrative workstations.

5.2 The quantity and the placement of the equipment to be provided at the Premises shall be determined by Pay Tel in consultation with the County and may be adjusted as necessary.

5.3 Pay Tel agrees to provide Services in full compliance with all applicable rules and regulations of the North Carolina Public Utilities Commission and the Federal Communications Commission

5.4 All of the Services will be provided by Pay Tel at its expense and County hereby authorizes Pay Tel to contact the local telephone company in accordance with the attached "Agency Agreement" in order to arrange for removal of existing telephone equipment and the provision of Pay Tel Services. County will provide space and a dedicated 24-hour 120-volt electrical service line to the equipment in connection with the provision of Services. Pay Tel shall pay all line and other charges imposed by any telephone company with respect to the Services.

5.5 County hereby grants to Pay Tel the exclusive right and authority to contract with a long distance carrier to handle all inmate long distance calls at the Premises. Pay Tel agrees to charge operator-assisted rates for inmate phone calls that are equal to or less than the tariffed rates regulated by the North Carolina Public Utilities Commission and the Federal Communications Commission.

5.6 Any equipment provided hereunder and all telephones and their enclosures and/or pedestals, and other equipment associated with their operation are agreed by County to be personal property and not fixtures and it is the express intention of both County and Pay Tel that such equipment described herein are and shall continue to be personal property of Pay Tel. All equipment installed by Pay Tel at the Premises shall remain the property of Pay Tel. Upon termination of this Agreement for any reason including, without limitation, termination of this Agreement pursuant to § 6.1 hereof, Pay Tel shall have the absolute right to enter upon the Premises at any reasonable time to remove its equipment. Pay Tel shall repair any and all damage to the Premises by reason of removal of Pay Tel's equipment.

5.7 Pay Tel agrees to maintain the equipment in good operating condition. Pay Tel shall have the right during normal business hours to enter the Premises to examine the equipment for purposes of inventory control and to perform necessary maintenance and repairs. County shall notify Pay Tel of any malfunctions or loss of equipment.

5.8 Pay Tel agrees to conform with all applicable local, state and federal requirements concerning the provision of Services to those with disabilities as defined by the Americans With Disabilities Act (hereinafter the "ADA"). County shall cooperate with Pay Tel to ensure compliance with all access requirements contained in applicable local, state and federal regulations relating to those with disabilities as defined in the ADA.

6.0 TERMINATION

6.1 County may terminate this Agreement in the event that Pay Tel materially fails to perform its obligations under this Agreement and said material failure shall continue for a period of thirty (30) days after written notice to Pay Tel of said failure is given pursuant to Paragraph 8.1.

6.2 Pay Tel may terminate this Agreement at any time upon thirty (30) days written notice to County in the event that regulations governing the operation of the Services prevent Pay Tel from performing its obligations under this Agreement.

6.3 Pay Tel may terminate this Agreement in the event that the anticipated distribution (intra, and inter-lata) of calls or permissible charges for calls, differs by more than ten percent (10%) from the actual distribution or charges for calls and such difference persists for more than three (3) months. In the event that Pay Tel determines that such revenue differences exist, Pay Tel agrees to notify County of such differences and both parties agree to work in good faith towards an amendment to this Agreement that would accommodate the interests of both parties.

6.4 Pay Tel also may terminate this Agreement, either in whole or in part, at any time upon sixty (60) days written notice in the event that Pay Tel deems the provision of telecommunications Services to any particular facility to be unprofitable. If Pay Tel terminates this Agreement as to any less than all of the facilities covered by this Agreement, such termination shall not affect Pay Tel's right to continue providing Services at such other facilities as are not covered by such termination.

7.0 SUCCESSORS IN INTEREST

7.1 County agrees that Pay Tel shall have the right to assign this Agreement and that Pay Tel shall have the right to grant a security interest in this Agreement and in any of Pay Tel's equipment on the Premises including any and all telephones and their enclosures and/or pedestals, or other equipment associated with Pay Tel's Services. This Agreement shall be binding upon the successors and assignees of both County and Pay Tel, including, without limitation, any financial institution providing financial accommodations to the County or Pay Tel.

8.0 MISCELLANEOUS PROVISIONS

8.1 All notices required to be given under this Agreement and the attached exhibits shall be sent to Pay Tel and to County addressed as shown on the signature page of this Agreement. Notices shall be sent by certified mail, return receipt requested. The date of mailing shall be deemed to be the date of giving such notice.

8.2 This written document, including Exhibit A and the Agency Agreement, shall constitute the entire understanding of the parties and all prior agreements and understandings are merged herein. This Agreement shall not be modified, changed or altered in any respect except in writing signed by County and Pay Tel. The following additional Exhibits, Addenda or Riders, if any, are hereby incorporated by reference into this Agreement:

No Additions

Initials _____
Initials _____

8.3 This Agreement shall be construed in accordance with the laws of the State of North Carolina.

8.4 In the event that any paragraph or part of the agreement is held to be void or unenforceable under any law or regulation, all other paragraphs and subparagraphs hereof shall be deemed severable and remain in full force and effect.

8.5 The plural number as used herein shall equally include the singular and the masculine, feminine, and neuter genders are interchangeable as required by context.

8.6 Any and all claims or disputes arising out of or relating to this Agreement or the breach thereof shall be decided by binding arbitration in accordance with the COMMERCIAL RULES governing arbitration of the American Arbitration Association. Venue for such arbitration shall be Greensboro, North Carolina unless otherwise agreed by the parties. At the conclusion of this arbitration, the award may be confirmed by order of any court having jurisdiction over the parties.

EXHIBIT A

PROPERTY DESCRIPTION

The Premises which are the subject of the Agreement dated ~~September 21, 2006:~~
October 16,

Carteret County Jail
Courthouse Square
Beaufort, NC 28516

This Agreement entered into as of the day and year first written above.

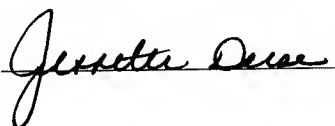
CARTERET COUNTY

PAY TEL COMMUNICATIONS, INC.:

By:  (Seal)

By: Douglas W. Harris (Printed)
Authorized Agent for County

Date: 10-16-06

Attest: 

Address: 302 Courthouse Sq.
Beaufort, North Carolina 28516

Phone: 252-728-8580

Fax: 252-728-2092

By:  (Seal)

By: Vincent Townsend (Printed)

Date: 10/23/06


Attest: 

Account Representative: Phil Ellis

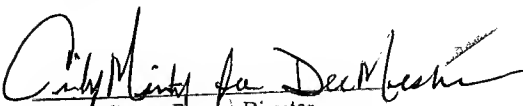
Address: Post Office Box 8179
Greensboro, North Carolina 27419

Phone: 866-729-8352

Fax: 336-346-1127


County Attorney

This instrument has been preaudited in the manner
required by the Local Government Budget and Fiscal Control Act.


Carteret County Finance Director